MT LEGISLATIVE HISTORY

Chapter 55 1985

Bill (H) 349 S _____ Original bill & hist. ___C

| H. Committee on Agriculture, Livestock & Irrigation | | S. Committee on Agriculture, Livestock & Irrigation | |
|---|---|---|---|
| Hearing Date(s) Jan 28 | ✓C | Hearing Date(s) Feb 15 | ✓C |
| _____ | ___C | Feb 18 | ✓C |
| _____ | ___C | _____ | ___C |
| _____ | ___C | _____ | ___C |
| Date Out Jan 28 | ✓C | Feb 18 | ✓C |

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Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

(To be kept current -- post bills when entering being heard or leaving committee.) Form C

STATUS SHEET

49TH LEGISLATIVE SESSION

COMMITTEE ON AGRICULTURE

| HOUSE BILL NO. | ENTERED COMM. | DATE CONSIDERED | OUT OF COMM. | DO PASS DATE | DO NOT PASS DATE | DO PASS AS AMEND. DATE | BE CONCURRED IN DATE | BE CONC. IN AS AMENDED DATE | BE NOT CONCURRED IN DATE |
|---|---|---|---|---|---|---|---|---|---|
| 60 | 1-7-85 | 1-11-85 | 1-11-85 | | | 1-11-85 | | | |
| 61 | 1-7-85 | 1-11-85 | 1-11-85 | | | 1-11-85 | | | |
| 110 | 1-7-85 | 1-14-85 | 1-14-85 | 1-14-85 | | | | | |
| 148 | 1-11-85 | 1-16-85 | 1-18-85 | | | 1-18-85 | | | |
| 233 | 1-18-85 | 1-23-85 | 1-25-85 | | | 1-25-85 | | | |
| 349 | 1-22-85 | 1-28-85 | 1-28-85 | | | 1-28-85 | | | |
| 350 | 1-22-85 | 1-25-85 | 1-25-85 | 1-25-85 | | | | | |
| 459 | 1-24-85 | 1-30-85 | 1-30-85 | | | 1-30-85 | | | |
| 386 | 1-23-85 | TABLED | | | | | | | |
| 486 | 1-25-85 | 1-30-85 | 2-4-85 | | | 2-4-85 | | | |
| 506 | 1-26-85 | 2-4-85 | 2-21-85 | | | 2-21-85 | | | |
| 512 | 1-26-85 | 2-4-85 | TABLED | | | | | | |
| 621 | 2-1-85 | 2-11-85 | 2-11-85 | | | 2-11-85 | | | |
| 659 | 2-4-85 | 2-13-85 | TABLED | | | | | | |
| 682 | 2-5-85 | 2-15-85 | 2-18-85 | | | 2-13-85 | | | |
| 716 | 2-8-85 | 2-13-85 | 2-21-85 | | | 2-21-85 | | | |

Use a separate sheet for Senate, House Bills, and Resolutions

MINUTES OF THE MEETING
AGRICULTURE COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 28, 1985

The meeting of the Agriculture Committee was called to order by Chairman Schultz on January 28, 1985 at 3:15 p.m. in Room 317 of the State Capitol.

ROLL CALL: All members were present with the exception of Representative Ellison and Representative Devlin.

CONSIDERATION OF HOUSE BILL NO. 349: Representative Donaldson, sponsor of the bill, stated this bill deals with the act that dealt with bonding in 1983. He informed the committee that the amendment they have needs to be corrected.

PROPONENTS: Keith Kelly, Director for the Department of Agriculture, stated that the department wants this to increase to $30,000. He feels this bill reaches adequate compromise.

Ross Fitzgerald, Vice-President of the Montana Grain Growers Association, stated they support this bill.

Leanne Schraudner, from the Montana Grain Elevators Association, testified in support of House Bill 349.

Marg Green, Montana Farm Bureau Federation, stated that bonding should be a form of protection not punishment, and they support this bill. (Exhibit A)

There were no further proponents or opponents present.

Representative Donaldson closed the hearing stating that this bill does not want to leave feedlot operators out completely but the $10,000 put a lot of pressure on the Agriculture Department.

DISCUSSION OF HOUSE BILL NO. 349: Representative Ellerd asked Mr. Kelly what the maximum bond was. Mr. Kelly replied that there was a $1,000,000 bond. Rep. Ellerd asked Mr. Kelly if there was any problem in getting a bond. Mr. Kelly said no. Rep. Ellerd again asked Mr. Kelly if a person can put up a cash bond. Mr. Kelly stated that they can put a C D in the bank in the departments name.

Rep. Ellerd asked how they can know the amount of dollars. Mr. Kelly said that they get reports from the feedlots and also the law allows them to check the records.

There being no further questions the hearing on House Bill No. 349 was closed.

## EXECUTIVE SESSION

DISPOSITION OF HOUSE BILL NO. 349: Representative Patterson moved to DO PASS AS AMENDED House Bill No. 349. A question was called and the bill PASSED UNANIMOUSLY.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 3:45 p.m.

James Schultz

JAMES SCHULTZ, Chairman

# DAILY ROLL CALL

~~Agriculture~~ COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 1-28-85

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| James Schultz, Chairman | X | | |
| Gay Holliday, V-Chairman | X | | |
| Bob Bachini | X | | |
| Dorothy Cody | X | | |
| Duane Compton | X | | |
| Gerry Devlin | | | X |
| Robert Ellerd | X | | |
| Orval Ellison | | | X |
| Harry Fritz | X | | |
| Ramona Howe | X | | |
| Loren Jenkins | X | | |
| Vernon Keller | X | | |
| Francis Koehnke | X | | |
| John Patterson | X | | |
| Bing Poff | X | | |
| Paul Rapp-Svrcek | X | | |
| Gary Spaeth | X | | |
| Dean Switzer | X | | |
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Please attach to minutes.

Exhibit 11
HB 349
1-28-85

MONTANA FARM BUREAU FEDERATION

502 South 19th Bozeman, Montana 59715
Phone (406) 587-3153

TESTIMONY BY Marg Green, Mont. Farm Bureau Federation

BILL # HB-349 DATE 1/28/85

SUPPORT XXXX OPPOSE

Mr. Chairman and members of the committee:

For the record my name is Marg Green and I am representing the Montana Farm Bureau Federation. The Farm Bureau's policies call for bonding that is adequate. Our philosophy is that bonding should be a form of protection, not punishment. The $10,000 mark, though is low enough that it puts unneccessary work and restriction on small operators. We feel that a $30,000 exemption would better achieve the real purpose of bonding.

VISITORS' REGISTER

AGRICULTURE COMMITTEE

BILL NO. House Bill 349 DATE 1-28-85

SPONSOR Donaldson

| NAME (please print) | RESIDENCE | SUPPORT | OPPOSE |
|---|---|---|---|
| Leany Schmidt | Craig ECO Ass | ✓ with Amendments | |
| Mary Green | Mon Dept Livestock | ✓ | |
| Keith Kelly | Dept of Ag | ✓ | |
| Roy Byron | " " | ✓ | |
| Ross H. Fitzgerald | M.E.E.A. | ✓ " " | |
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

# STANDING COMMITTEE REPORT



January 28 19 85

MR. Speaker:

We, your committee on Agriculture

having had under consideration House Bill No. 349

first white
reading copy ( color )

AMENDS EXEMPTION PROVISION OF
COMMODITY DEALER LICENSING LAW

Respectfully report as follows: That House Bill No. 349

BE AMENDED AS FOLLOWS:

1. Title, line 5.
Following : "TO"
Strike: remainder of line 5, line 6, and line 7 through "PERSON"

2. Title, line 8.
Following: "LICENSURE"
Insert: "REQUIREMENTS"
Following: "DEALER"
Insert: "ANY PERSON PURCHASING AGRICULTURAL COMMODITIES FROM A LICENSED COMMODITY DEALER OR PURCHASING NOT MORE THAN $30,000 WORTH OF AGRICULTURAL COMMODITIES FROM PRODUCERS DURING A LICENSING YEAR"

DO PASS X

CONTINUED

January 28 19 85

3. Page 2, line 9.
Following: "buys"
Strike: "or handles less than"

4. Page 2.
Following: line 9
Strike: "$30,000 worth of"

5. Page 3, line 9.
Strike: "in"
Insert: "from a licensed commodity dealer or who does not purchase more than $30,000 worth of agricultural commodities from producers during"

hb349.scr
pc2/klp

AND AS AMENDED,
DO PASS

Chairman.

STATE PUB. CO.
Helena, Mont.

REP. SCHULTZ

CHAIRMAN--BOYLAN, PAUL SECRETARY-TENNESON, RITA
NORMAL SCHEDULE==> SITE: ROOM 413/415 DAYS: M-W-F TIME: 1:00-3:00 P.M.

| --BILL NO--- | REFER DATE--- | HEARING DATE--- | CONSIDERATION DATES---------- | COMMITTEE ACTION---------- | REREFERRED TO COMM---- | DATE OUT- |
|---|---|---|---|---|---|---|
| HB0060 | 1/18 | 1/25 | | CONCUR | | 1-25 |
| HANSON, MARIAN W. | | | INCLUDE GVW ENFORCEMENT OFFICER IN LIST OF LIVESTOCK PERMIT INSPECTORS | | | |
| HB0061 | 1/18 | 1/25 | | CONCUR | | 1-25 |
| HANSON, MARIAN W. | | | PROVIDING PENALTY FOR VIOLATION OF BRUCELLOSIS VACCINATION REQUIREMENTS | | | |
| HB0070 | 2/04 | 2/15 | | CONCUR | | 2-04 |
| HAND, BILL | | | REDUCING LEASES OF STATE LANDS WHEN UNDER SPRINKLER IRRIGATION | | | |
| HB0110 | 1/18 | 1/25 | | CONCUR | | 1-25 |
| SCHYE, TED | | | ELIMINATING 10-YEAR LIMIT ON AGRICULTURAL LEASES | | | |
| HB0148 | 1/28 | 2/06 | 2/06 | CONCUR | | 2-6 |
| MANUEL, REX | | | REVISING PESTICIDE TRAINING REQUIREMENTS FOR FARM APPLICATORS | | | |
| HB0233 | 2/04 | 2/13 | | CONCUR | | 2-13 |
| GRADY, EDWARD J. | | | NAME CHANGE FOR BOARD OF VETERINARIANS | | | |
| HB0297 | 2/07 | 2/15 | | CONCUR | | 2-15 |
| COMPTON, DUANE D. | | | REMOVES REQUIREMENT THAT LEAF-CUTTING BEE LABORATORY BE LOCATED AT MSU | | | |
| HB0316 | 2/04 | 2/11 | | CONCUR | | 2-11 |
| KRUEGER, KURT D. | | | REVISING STRUCTURE AND AUTHORITY OF RANGELAND RESOURCES COMMITTEE | | | |
| HB0317 | 2/06 | 2/13 | | CONCUR | TAXATION | 2-13 |
| WILLIAMS, J. MELVIN (MEL) | | | CLARIFYING THE DEFINITION OF LIVESTOCK FOR PROPERTY TAX PURPOSES | | | |
| HB0349 | 2/06 | 2/15 | 2/18 | CONCUR | | 2-18 |
| DONALDSON, GENE | | | AMENDS EXEMPTION PROVISION OF COMMODITY DEALER LICENSING LAW | | | |
| HB0350 | 2/04 | 2/08 | | CONCUR | | 2-8 |
| SCHULTZ, JAMES M. | | | REVISES REQUIREMENTS FOR REGISTRATION AND DISTRIBUTION OF COMMERCIAL FEED | | | |

brands, etc.

Senator Lybeck asked Blake Wordell to comment. Wordell - The committee needs to consider that a number of other people beside bankers will be required to file; finance corporations, equipment dealers, etc. They will be interested in seeing a fiscal note also. Ten percent of refilings may be farm machinery.

Senator Boylan said he would request a fiscal note and Mr. Akey said he would help with the fiscal note.

Senator Galt moved the amendments for SB 129. Motion carried.

SB 202 and HB 349: - Senator Bengtson said they agreed on the financial statement but were not in agreement about the $30,000 limitation.

John MacMaster - 3G, under the amendments, every feed lot no matter how much feed he is buying, will be exempted from a financial statement. On the bottom of the page of amendments, he does have to give the Department any information the Department needs to carry out this part.

Kelly - The only time it will require a financial statement is when he is going to become relicensed. They are going to have to request being licensed so they will request their financial statement. When they are approaching the $30,000 limit, the Department will ask for a financial statement.

Senator Galt - Some of the poeple who testified here handle more than $30,000 worth of grain. With this amendment in here, you could require them to get a license but not require them to file a financial statement? Kelly - The Department would still ask him to provide a financial statement to keep on file unless the committee passes this amendment. The whole debate on the financial statement was to measure if they were in good financial condition. The whole theory behind bonding and licensing is that they be soluable in cases of more than $30,000.

John MacMaster had a letter the Montana Grain Growers Association gave Senator Bengtson which says essentially the feedlot operators would be exempted from the whole act. Letter, Exhibit #7.

OTHER BUSINESS: Senator Cecil Weeding, SD 14, asked the committee to present a committee bill as the filing deadline had passed. The CMR game ranch is administered by Fish Wildlife and Parks and they have proposed to raise grazing fees from $4.61 to $5.61 this coming year. That fee is about three times what the adjoining BLM land is and two times what state land is. The people in Hysham asked him to develop a resolution to freeze the fees at

AGRICULTURE, LIVESTOCK & IRRIGATION COMMITTEE

49th LEGISLATIVE SESSION -- 1985 Date 2/15/85

| SENATE SEAT # | NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|---|
| 1 | SENATOR GARY AKLESTAD | ✓ | | |
| 27 | SENATOR ESTHER BENGSTON | ✓ | | |
| 35 | SENATOR JACK GALT | ✓ | | |
| 34 | SENATOR H. W. (SWEDE) HAMMOND | ✓ | | |
| 10 | SENATOR ALLEN KOLSTAD | ✓ | | |
| 38 | SENATOR LEO LANE | | | ✓ |
| 18 | SENATOR RAY LYBECK | ✓ | | |
| 31 | SENATOR ELMER SEVERSON | ✓ | | |
| 39 | SENATOR BOB WILLIAMS | ✓ | | |
| 29 | SENATOR MAX CONOVER, V. CHMN. | ✓ | | |
| 50 | SENATOR PAUL BOYLAN, CHAIRMAN | ✓ | | |
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Each day attach to minutes.

COMMITTEE ON AGRICULTURE

VISITORS' REGISTER

| NAME | REPRESENTING | BILL # | Check One: Support | Check One: Oppose |
|---|---|---|---|---|
| Gregg Hilton | SCIF | HB70 | ✓ | |
| Kelly Blake | Dept of State Lands | HB70 | ✓ | |
| Dennis Hemmer | Dept of State Lands | HB70 | ✓ | |
| Bob Stephens | M. G. G. A. | HB70 | ✓ | |
| Ray Brown | MT Dept of Ag | HB349 | | |
| Moe Wemple | MT Dept of Ag | HB349 | ✓ | |
| Jack Brunner | MT Cattlemen | HB349 | ✓ | |
| Lorna Frank | MT. Farm Bureau | HB349 | ✓ | |
| Bob Stephens | MT. Grain Growers | HB349 | ✓ | |
| KEITH KELLY | DEPT OF AGR | HB349 | ✓ | |
| Mona Jamison | MT Stockgrowers - Woolgrowers | HB349 Gutelius HB70 | ✓ | |

(Please leave prepared statement with Secretary)

NAME: Jo Brunner DATE: 2/15/8

ADDRESS: 1469 Kodiak Rd. Helena

PHONE: 443-4254

REPRESENTING WHOM? Montana Cattle Feeders Assn

APPEARING ON WHICH PROPOSAL: HB 349

DO YOU: SUPPORT? X AMEND? X OPPOSE? _____

COMMENT: The Cattle Feeders Association is in Agreement with the additional wording on pg 2 sub (3) lines 13-15.

We are also in agreement with the amendments concerning the title change exempting commercial feedlot operators from the filing of a financial statement and on page 6 paragraph 3 and the consequent change - ~~line~~ paragraph (9) will provide the exe

We ask a do pass -

Thank you -

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

copy 2-15-85

For Sen. Bengtson

Proposed Amendments to HB 349, third reading copy.

1. Title, line 13.
Following: "YEAR;"
Insert: "EXEMPTING COMMERCIAL FEEDLOT OPERATORS FROM THE FILING OF A FINANCIAL STATEMENT;"

~~2. Title, line 13.~~
Following: "AMENDING"
Strike: "SECTION"
Insert: "SECTIONS"
Following: "80-4-402"
Insert: "AND 80-4-601"

2.
Page 6, line 3.
Following: line 2
Insert: "Section 2. Section 80-4-601, MCA, is amended to read:

"80-4-601. Commodity dealer license requirements -- financial responsibility. (1) A person may not engage in the business of a commodity dealer in this state without first having obtained a license issued by the department.

(2) An application for a license to engage in business as a commodity dealer must be filed with the department and must be on a form prescribed by the department.

(3) A license application must include the following, except that a commercial feedlot operator need not include the financial statement required by subsection (3)(g):

(a) the name of the applicant;

(b) the names of the officers and directors if the applicant is a corporation;

(c) the names of the partners if the applicant is a partnership;

(d) the location of the principal places of business;

(e) a sufficient and valid bond as specified in 80-4-604;

(f) the number and description of trucks or tractor-trailer units owned or leased by the applicant that will be used in the transportation of agricultural commodities purchased pursuant to the provisions of this part;

(g) a complete financial statement prepared by a licensed accountant according to generally accepted accounting principles, setting forth the applicant's assets, liabilities, and net worth. The commodity dealer shall have and maintain current assets equal to or greater than current liabilities. Assets must be shown at original cost less depreciation. Upon written request filed with the department, the director may allow asset valuations in accordance with a competent appraisal.

(h) any other reasonable information the department finds necessary to carry out the provisions and purpose of this part.

(4) In order to receive and retain a commodity dealer's license, a commodity dealer shall have and maintain net assets of at least $50,000 or maintain a bond in the amount of $2,000 for each $1,000 or fraction thereof of net assets deficiency. However, a minimum of $10,000 net assets is required by a commodity dealer to qualify for a license. A bond submitted for purposes of this subsection is in addition to any bond otherwise required under this part.

(5) The department shall adopt rules relating to the form and time of filing of financial statements. The department may require additional information or verification regarding the financial resources of the applicant and the applicant's ability to pay producers for agricultural commodities purchased from them.""

Renumber: Subsequent section.

JM1EE/ee/HB 349

MONTANA
FARM BUREAU
FEDERATION

502 South 19th Bozeman, Montana 59715
Phone (406) 587-3153

TESTIMONY BY: Lorna Frank

BILL # HB 349 DATE 2/15/85

SUPPORT X OPPOSE

Mr. Chairman, members of the committee, for the record my name is Lorna Frank, representing Montana Farm Bureau.

Farm Bureau supports HB 349. Raising the Banking figure from $10,000 to $30,000 on a person who buys agricultural commodities, helps the agricultural producers cut costs. We all know that with the cost of everything going up it doesn't take very much of a purchase to reach that $10,000 limit.

Farm Bureau hopes this committee will give HB 349 a do pass recommendation..

Lorna Frank
SIGNED

SB202
November 24, 1984 (HB 349
Feb 15, 198

1984 Resolutions Committee
Montana Grain Growers Assiciation
Great Falls, Montana

Dear Chairman;

The Montana Cattle Feeders Association considers several aspects of the Montana Grain Dealers Licencing Act, of the last legislative session, objectionable and detrimental to the best interests of feedlot operators. The members consider themselves valuable customers of Montana grain producers and respectfully request a review of portions of the Act by the Montana Grain Growers Association.

The Montana Cattle Feeders Association respects and supports efforts of Montana grain producers to protect their own interests and it is their hope that the Montana Grain Growers Association will see fit to support changes in the law which will make compliance less burdensome for commercial feedlots in the State.

Ideally, commercial feeders would prefer their operations excluded from coverage by the Act. The bureaucratic record-keeping and reporting requirements demand non-productive waste of time and money and, in our opinion, do nothing to reduce grain producers risks.

However, in lieu of exemption from dealer status, the Montana Cattle Feeders Association seeks the following changes in the law:

1. Elimination of the requirement to furnish the State with a financial statement.

see 80-4-30-4-60163

Financial statements must be given to companies which provide bonding. Distribution to State employees is unnecessary, extremely distasteful and potentially detrimental.

2. Elimination of licencing and bonding requirements for feedlot operators who purchase grain, above the exclusionary limit, (of $ 10,000?) through bonded grain brokers.

Any benefit from licencing and bonding has already been achieved. Additional requirements would serve no purpose.

also amend 80-4-402(3)(2) to raise it to $ 30,000.

80-4-6

3. Elimination of licencing and bonding requiremtnts for feedlot operators who purchase grain entirely with contractual agreements between the feedlot operator and the grain producer. (rancher

The force of law already exists with legal contracts, and recourse for nonpayment would not be improved by the imposition of another licence requirement.

The Montana Cattle Feeders Association sincerely appreciates this opportunity to present its position regarding the Grain Dealers Licencing Act. We hope you will find our expressed positions compatable with your own goals and that you will adopt a resolution to support our stated desires for changes in the law.

We look forward to working with you in the coming legislative session on matters of mutual benefit.

Thank you,

Dan Barkemeyer

Dan Barkemeyer
President,
Montana Cattle Feeders Association

accounting problem.

OPPONENTS: None.

Committee questions: Senator Bengtson questioned the terminology whether it is a revolving account or a properietary account. She asked John MacMaster to check whether revolving fund was the right language.

DISPOSITION OF HB 349: Senator Bengtson moved HB 349 BE CONCURRED IN. Motion carried. For the record, Senators Hammond and Aklestad voted NO.

DISPOSITION OF SB 345: Senator Galt moved the Statement of Intent for SB 345 BE ADOPTED. Motion carried.

Senator Conover moved SB 345 and the Statement of Intent DO PASS. Motion carried.

There being no further business, the meeting adjourned.

PAUL F. BOYLAN, Chairman

AGRICULTURE, LIVESTOCK & IRRIGATION COMMITTEE

49th LEGISLATIVE SESSION -- 1985 Date 2/18/85

| SENATE SEAT # | NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|---|
| 1 | SENATOR GARY AKLESTAD | ✓ | | |
| 27 | SENATOR ESTHER BENGSTON | ✓ | | |
| 35 | SENATOR JACK GALT | ✓ | | |
| 34 | SENATOR H. W. (SWEDE) HAMMOND | ✓ | | |
| 10 | SENATOR ALLEN KOLSTAD | ✓ | | |
| 38 | SENATOR LEO LANE | ✓ | | |
| 18 | SENATOR RAY LYBECK | ✓ | | |
| 31 | SENATOR ELMER SEVERSON | ✓ | | |
| 39 | SENATOR BOB WILLIAMS | ✓ | | |
| 29 | SENATOR MAX CONOVER, V. CHMN. | ✓ | | |
| 50 | SENATOR PAUL BOYLAN, CHAIRMAN | ✓ | | |
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Each day attach to minutes.

February 18 19 85

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration HOUSE BILL No. 349

third reading copy ( blue color )

Donaldson (Bengtson)

AMENDS EXEMPTION PROVISION OF COMMODITY DEALER LICENSING LAW

Respectfully report as follows: That HOUSE BILL No. 349

BE CONCURRED IN

XXXXXXX

XXXXXXXXX

Senator Paul F. Boylan, Chairman.